LINCOLN SENSE

Society of Lincoln Cent Collectors • Dr. Sol Taylor, President • 13515 Magnolia Blvd. • Sherman Oaks, CA 91423

SLCC is dedicated to the collecting and study of the LINCOLN CENT. Our journal, LINCOLN SENSE, is published six times a year. Annual membership is $15 and foreign mailing is $20. Life membership is available at $150.

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New Study Says the Cent Makes Sense

The cent still plays a critical role in the stability of the nation's economy, according to a recent study conducted by Raymond Lombra, professor of economics at Pennsylvania State University. The report states that removing the cent from circulation likely would result in price rounding to the nearest 5 cents. This "rounding tax" of nearly $600 million a year would have a disproportionate impact on lower socioeconomic groups, most dramatically on the nearly 10 million American households without checking accounts. Copies of the study are available via an E-mail request addressed to Lombra at rl3@psu.edu.

There are two sides to every coin and the debate over the value of minting the one-cent piece is no exception

By Rachel Sauer
Cox News Service

See P. 8

MAIL BID SALE #110 CLOSING DATE SEPTEMBER 27, 2001.

Michigan Consignment

Lot Description

1 1909VDB Full MS65RD
2 1935P,D Both MS65RD
3 1936P,D,S Matched MS65RD, lighest toning on D&S
4 1937 MS67RD, 1937D&S MS65RD
5 1938P,D,S Matched MS65RD
6 1939P,D,S Matched MS65RD
7 1940P,D,S Matched MS65RD
8 1941P,S Matched MS65RD
9 1942P,S Matched MS65RD
10 1943P,D,S MS65 Brilliant steelies
11 1944P,D,S Matched MS65RD
12 1945P,D,S Matched MS65RD
13 1946P,D,S matched MS65RD
14 1947P,D,S Matched MS65RD
15 1948P,D,S Matched MS65RD
16 1949P,D,S Matched MS65RD
17 1950P,D,S Matched MS65RD
18 1951P,D,S Matched MS65RD
19 1952P,D,S matched MS65RD
20 1953P,D,S Matched MS65RD
21 1954P,S Both MS65RD
22 1955P,D,S Matched MS65RD
23 1956P,D, 1957P,D, 1958P,D, all 6 MS65RD

Long Beach Consignment

24 1889 Indian PR64RB light shimmering olive sea green fields. Few teeny specks on rev. Super eye appeal. Might slab higher.
25 1909S Lincoln, VG8, rev. almost full wheat ears.
26 1909VDB NGC/ANA MS66RD, flashy golden red gem
27 1911D NGC/ANA AU50BN, sharp details
28 1928 NGC/ANA MS65RB, full red obv, rev. RB
29 1939S NGC/ANA MS67RD, same sold in Heritage Sale 6/01 $51.75.
30 1943S NGC MS67 flashy steel, selling for $120+ in 1997.
31 Half roll (25 pcs) BU 1974S MS65RD

Van Nuys Consignment

32 1858 Flying Eagle LL G, 1959 Indian G, 1863 Indian VG
33 1870 AG, full date obv. Good rev. Key date.
34 1874 VG rough obv. Net G grade.
35 1865 Indian XF40, bold LIBERTY
36 1862 INDIAN VG, 1892 (2) G & VG, 1895 G, 1896 G, 1901 VF, 1903 F, 1904 F, 1907 (2) BOTH F, 1908 VG (TOTAL 11 coins this lot)
37 1876 AG, 1882 G, 1893 VG, 1903 VG, 1905 G, (3) 1906 G-VG, 1907 VG (9 coins this lot)
38 1917S Ten XF40-XF45
39 1925S Ten VF20-XF40
40 1943 Roll 43 circs VG-AU

Continued P. 2

41 8 low grade Indians, damaged or worn Poor-Fair: 1861, 1863, 1395, 1898, (2) 1900 and (2) 1905.
42 Two gem rolls (original) 1950P (100 coins)
43 Roll 1954P, better than average, MS64RD plus 3-5 MS65RD
44 Roll 1948S Gem BU fresh original mint bloom
45 Roll 1953S BU, some toning on highlights, a few show contact color with the paper
46 Roll Choice BU 1953D original Mostly MS66RD

Above rolls from same estate as MB#109 lots #68-80.

End of Mail Bid Sale #110. Mail your bids in early. In case of a tie, the earlier bid wins. Remember: There is NO BUYER'S FEE IN SLCC MAIL BID SALES.

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No More Cents?

Several articles in the numismatic media and the general media indicate the push to eliminate the cent. As pointed out in our journal, the cent is living on borrowed time--so long as it generates a profit (about 20%), the U.S. Mint will continue to coin billions of cents a year. When the day comes when the profit drops to less than 10%, then the GAO or Congress will order the cent to no longer be produced and will continue to circulate until they vanish. There is no proposal for a two cent piece, so when that day comes, prices will most likely be in increments of five cents.

JULY 2001 • THE NUMISMATIST

America's Cent: A Fading Memory?

MINT STATE VIEWS
BY SOL TAYLOR

THERE IS LITTLE doubt in my mind that during this century, the United States Mint will cease striking the cent, and that the denomination no longer will circulate. However, until that time comes, the coin will continue to comprise a large part of the Mint's production.

In recent years, other countries have eliminated their cent equivalents, such as the centime, pfennig and kopek. The immediate effect has been a loss of trade value against the United States dollar and a sharp rise in inflation (3 to 5 percent). Early in the 20th century, Japan's yen was worth one U.S. dollar; now it is worth about one cent. Likewise, Mexico's peso once equaled about a dollar, and the centavo circulated throughout much of the last century. In the mid 1900s, the centavo was dropped, and the value of the peso plummeted.

The time is coming when our cent will provide no seigniorage (profit) for the U.S. Mint, which, of course, will be the primary rationale for the coin's discontinuance. Vending machines no longer accept the lowly cent (they did when I was a kid, but that was more than 50 years ago). As such, the industry is not likely to fight for the cent's production.

Despite the coin's faithful following in the numismatic community, I doubt that collecto are the moving force behind its i suance. After all, collectors reall want older, scarcer specimens, n modern issues of recent mintage. A founder and president of the Socie of Lincoln Cent Collectors, I hav discussed the matter with many co lectors, and all agree the cent is on its way out and likel will not be around much longer.

Enough cents are stashed away in jars, cans, bags an boxes to ensure that collectors well into the future wi have a ready source of coins to fill holes in their album Over the years, I have acquired many such containers o old cents, putting the majority into circulation throug my local bank or supermarket (which readily accept rol of coins). Wheat cents bring a small premium from som dealers, and, of course, there always is a market for th key and semi-key dates. Then there are the slabbe mint-state or proof coins that bring record prices when ever they cross the auction block. However, these wi not determine how long the Mint will continue to chur out tons of new cents.

A retired educator and long-time collector, ANA life membe Sol Taylor is president of the Society of Lincoln Cent Collectors.

One More Article

The article below from the August, 2001 issue of THE NUMISMATIST is one of the several recently published regarding the abolition of the cent coin. SLCC members are urged to write their views on the subject: by email slcc2@aol.com or by U.S. Mail.

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Membership Report

Since two issues ago, the following new memebrs have been added to the roster of SLCC:

Gregory A. deVeau	R1333	KS
J. V. Nabholz	LM64	DC
Ralph Coursel	R1334	IN
Eugene I. Majerowicz	LM65	CA

Welcome and enjoy.

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Author Believes Collectors Should Support Abolishment of the Cent

I read with amusement the near hysterical, negative reactions ("Readers Respond to 'Uncentsible' Cent Commentary," June 2001, p. 769) to my editorial proposing the abolition of the cent denomination ("'Uncentsible' Coin Production," April 2001, p. 372). Getting emotional does not change the facts: 1) cents cannot be used in vending machines, automated mass-transit systems or pay phones, and virtually no one—customer or store clerk—wants to see them used in large amounts; 2) cents are not considered to have value by the general public; 3) seigniorage on cents is less than any other coin, making it in the government's fiscal interest to shift production to other denominations; 4) no charitable organization can exist on donations of cents alone; 5) huge mintages and difficulty in preserving the microthin copper plating on modern zinc cents limit collecting potential; and 6) the argument that elimination of the denomination will cause price inflation is bizarre and invalid because in a multi-item transaction, only the final price is rounded. Are zinc producers who may lose an outlet for their material behind some of the anti-cent abolishment hysteria?

Inflation has made the cent as meaningless and useless a denomination as was the half cent when it was abolished. As numismatic leaders, we should promote modernization and improvement, not be recalcitrant defenders of the status quo.

Even Congress is starting to see the need. United States Representative Jim Kolbe (R-Arizona) announced support for a plan to limit cent use, discontinue the dollar bill in lieu of the new golden dollar, and promote increased use of the $2 bill. Let's jump on the bandwagon of positive change and modernization.

Aug. The Numismatist 2001

David Allen Hines, ANA 142756

From DAILY NEWS (Los Angeles) 8-27-01

Could pennies be cashing out?

WASHINGTON

Consider the penny. Or rather, consider what it can buy, which is . . . Well, hmmm. What is it even worth these days? That's the question at the heart of a debate over the future of the penny. In mid-July, Rep. Jim Kolbe, R-Ariz., introduced the Legal Tender Modernization Act, which among other things calls for rounding to the nearest 5 cents on all cash transactions, except those for less than 2 cents — a back-door way of making the penny obsolete.

That ignited a heated debate of the Washington variety. Pro-penny and anti-penny people argue back and forth through pithy quotes in newspapers and magazines, issue press releases and add facts, figures and polls to their Web sites. Pennies are bad. Pennies are good. We hate pennies. We love pennies.

What is a penny worth?

To some, nothing. "I hate pennies," said Jim Benfield, executive director of the Coin Coalition — a group of organizations including the National Soft Drink Association, the Chicago Transit Authority and the Copper Development Association — that mainly wants to see the golden dollar used more often but also opposes the penny. Benfield formed the coalition in 1986.

He said he thinks pennies are pointless little coins. He's not alone. The National Association of Convenience Stores estimates 5.5 million hours and $22 million dollars are lost annually due to pennies — extrapolating down to the estimated two seconds spent per each of its members' 10 billion annual cash transactions handling pennies. Benfield cited the fact that Australia,

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Editorial

I was in Canada in August. I would like to comment on the coin use as I saw it. The cent is alive and well—and worth only .65 of a U.S. cent. And it is copper. The Loonie dollar circulates widely—fits into parking meters, telephones, and vending machines. The $2 Polar Bear (also called a "double loonie") is also widely used. The $1 and $2 bills have disappeared. They have a series of quarters similar to our states quarters—I found 14 different ones dated 1999 and 2000. Store cash registers double rows of drawers for at least 6 types of coins—as well as U.S. coins (I was in Montreal which is very close to N.Y.). When I brought up the idea that the U.S. might end the minting of cents, there was no reaction one way or the other.

Mail Bid sale #109 results (July 26, 2001)

Lot	Bid	Lot	Bid	Lot	Bid	Lot	Bid	Lot	Bid	Lot	Bid
1	165.	16	70.	31	16.	46	8.	61	6.50	76	27.
2	145.	17	77.	32	11.	47	35.	62	10.	77	32.
3	11.	18	11.	33	9.	48	24.	63	4.50	78	32.
4	10.	19	17.	34	12.	49	9.	64	5.50	79	32.
5	10.50	20	36.	35	6.	50	16.	65	4t	80	35
6	11.50	21	77.	36	15.	51	8t	66	5.	t=tie bid	
7	12.50	22	85.	37	15.	52	12.	67	8t		
8	10.	23	74.	38	45.	53	11.	68	15. (Indian cent lot)		
8A	6.	24	51.	39	20.	54	15.	68	135. (BU 1940S roll)		
9	35.	25	76.	40	28.	55	9.	69	100.		
10	4.50	26	62.	41	20.	56	20.	70	250.		
11	18.	27	9.50	42	32.	57	4.50	71	54.		
12	35.	28	54.	43	60.50	58	2.	72	32.		
13	15.	29	17.	44	30.	59	6.	73	50.		
14	24.50	30	30.	45	25.50	60	6.	74	50.		
15	65.							75	65.		

Total number of bid sheets received 31. No late bids. Total of 21 bidders won one or more lots. Lots 68-80 received from 8 to 15 bids each. We thank all the bidders and request they save the used stamps for return to SLCC in the future.

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Megapenny

Member *Mike Batkin* writes that we should check out web site www.kokogiak.com/megapenny. It has lots of "sentsible"facts. Worth a look see. Good for the younger collector.

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SLCC Meets in Long Beach

SLCC meets at each Long Beach Coin Show. The next meeting will be October 6 Saturday at 11am in Room 102C. Next to the ANA this is the largest coin show held three times at the Long Beach Convention Center.

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No Cents

Several recent letters and articles focus on eliminating the cent. SLCC found a few including one pro-cent study published in a Penn State study. SLCC does not support the elimination of the cent, but recognizes the eventuality of the end of the cent as a coin of the realm due to economic forces. Your comments are welcome on the subject.

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Heritage Web Sites

To trace the auction results of previous auctions, Heritage has a web site (one of several) you can search for prices realized. www.HeritageCoin.com

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Cents or Not

These are some recent articles or letters on the subject of ending the cent as a coin or the realm. There was a sudden rash or such items in the local and numismatic press perhaps due to Congressional interest in the subject. read on...

"Uncentsible" Coin Production

MINT STATE VIEWS

BY DAVID ALLEN HINES

FIVE HUNDRED SEVENTY-three. I recently gathered up all the cents in my possession, and that's how many I counted. If everyone hoarded that many, the United States very well would be faced with a cent shortage. But, as I looked at the pile, I said to myself, "So what?"

The truth was, I could not think of one thing to do with them. My car was in need of a bath, but the machines at the carwash accept only quarters. I guess I could have gone to the local convenience store and bought a few candy bars or something, but the odious look I would get from the clerk and the other customers if I tried to pay with a few hundred pennies forestalled that thought.

I decided to take my coins to work to see what I could do with them. I tried to put them in my pants pocket, but I stopped before I was halfway done loading them, fearing my pants might fall down or the pocket might rip. Instead, I transferred them to a plastic bag.

That bag had a hated and tortured existence over the next few days. My secretary threatened me when I tried to exchange them in the petty-cash box. My co-workers openly laughed at me, even when I offered to "sell" them $5.73 worth of pennies for just $3. I took my bag to the bank when I made the daily deposit, but it wouldn't accept the cents unless they were rolled, which, given my clumsy fingers, I was not about to do. Finally, the bag ended up as a paperweight on my desk. A few days later, I disgustedly threw the pennies in the trash. The janitor saw me and just laughed . . . and he didn't even take the bag off the refuse heap!

For several years, I have read about proposals to abolish the cent denomination, and the coin collector in me sided with those who opposed such plans. But, as I contemplated the fate of my 573 pennies, I had an epiphany. The coins were completely, utterly useless! Why then does the United States Mint continue to produce them?

There is the ridiculous argument of "price inflation," that merchants will round every price up a few cents to the nearest nickel. But who really cares if they do? What's it going to cost the average consumer, a couple dollars per year? Even when people do receive pennies in change, they often toss them aside.

The Mint currently makes more cents than all other denominations combined, spending more time and effort on a coin no one seems to want than on those that are regularly used. And the seigniorage (the profit made by the government on the minting of coins) is less for the cent than for any other coin, yet another "dis-incentive" to produce it in large quantities.

Abolishing the cent denomination would eliminate an essentially useless coin while freeing up space in cash-register drawers for the new dollar coin, which, if properly marketed, surely will become more useful. Some would argue that the slot for half dollars could be used for this purpose, but the truth is, some 50-cent pieces still circulate (plus, clerks often use this large compartment to store "everything else," that is, items that can't readily be assigned to a slot).

After all, what would you rather use at the store, carwash or vending machine: four quarters, a dollar coin or a hundred pennies? Common sense and practicality must overcome our emotional attachment to this obsolete, 200-year-old denomination. Did anyone really care in 1857 when the half cent was eliminated for much the same reasons?

David Allen Hines is a city manager in northeastern Pennsylvania. Like many hobbyists, his first collecting challenge was building a set of Lincoln cents.

Opinions expressed are those of the author and do not necessarily represent the views of the ANA or the editorial staff.

Penny bill to cost or save fortune

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a country with an economy one-eighth the size of the United States, did away with the penny in 1992 and is doing just fine. And, he mentioned, U.S. military bases in Europe stopped using pennies in 1980 to end the expense of shipping them.

"The fact is, the penny really doesn't have much value any longer," Kolbe said. "People just throw them into a jar. The penny has lost its purpose. It's obsolete."

Kolbe said he doesn't necessarily want the mint to stop production — his bill makes exceptions for special-issue and collectors pennies — but wants the penny to fade away. His bill allows the Mint to print coins and stamps for foreign nations, potentially a real money-maker for the United States if it expended its effort on that instead of penny production.

Considering production costs, transportation and storage, he said he believes pennies are a money loser for the U.S. Mint. He mentioned a 1996 analysis done by the General Accounting Office that asserted "production and distribution of the penny is no longer profitable to the government." U.S. Mint spokesman Mike White said Mint officials disagree with the GAO's methodology and results, which he said included budget conventions that artificially reduced the government's seignorage profits on pennies — the difference between a coin's face value and the cost of minting it.

Rounding to the nearest 5 cents on all cash transactions — which doesn't include payments made with checks or credit cards — is the way to go, Kolbe said, and his bill says as much. One nickel is more efficient than several pennies, he said. And consumers and business people would come out even with rounding, due to the random nature of purchase price combinations plus tax. Benfield said he thinks it's sadly cynical for consumers to assume business owners will price things in such a way that the rounding will always be up.

Call him a cynic, but that is what Mark Weller said he believes will happen. Weller is executive director of Americans for Common Cents, a group representing various charitable and school organizations, business groups and the zinc industry. The fact is, he said, there are people in this country to whom even a few cents still matter — people who make the majority of their purchases with cash. Rounding, he said, is going to mean businesses will raise prices and round up, not down.

"Consumers lose under rounding," he said, citing a 1990 study by Raymond Lombra, professor of economics at Pennsylvania State University. Lombra's statistical analysis estimated rounding would cost U.S. consumers $600 million per year. Lombra said the inflationary effects of rounding could raise federal government outlays linked to the Consumer Price Index, such as Social Security benefits and government pensions, by about $1.5 billion.

"There's a direct correlation between the strength of the economy and penny production," Weller said. "When times are good, people store their pennies in a jar and the Mint produces more. When times get tough, people start spending those pennies and getting them into circulation again."

He said making the penny obsolete would hurt not only those with lower incomes, but also charities and nonprofit groups that raise money with penny drives. This includes Public School 173 in Flushing, N.Y., which raised $1,000 for its program serving young autistics, and the Albuquerque, N.M., public schools, which raised almost $50,000 for 18 local nonprofit agencies.

Members of Americans for Common Cents also contend that eliminating the penny would erode consumer confidence in the economy, fostering a fear that they are being ripped off.

Besides, White said, the penny is a money-maker for the government. In 2000 the U.S. Mint produced 14.2 billion pennies out of a total of 28 billion coins. Each penny cost less than 1 cent — 0.82 — to produce, he said, so the government's profit last year was $29 million, which went into the U.S. general fund. Kolbe argues that production cost is almost 1 cent — 0.9.

"People perceive the penny as a nuisance," White said, "as not having much purchasing power. But six out of 10 favor keeping it."

A July 1996 poll conducted by Opinion Research Corp. in Princeton, N.J., found that 73 percent of those polled favored keeping the penny in circulation. The survey found almost 80 percent of those with an income of $15,000 per year or less favored keeping the penny. Women are more likely to support the penny than men, pollsters found.

While the average coin lasts 30 years, pennies are different because "they go into circulation, get parked in a jar for a little while, then are cashed in," White said. "They're a tremendous symbol of economic stability as well. It's a real symbol insofar as some other countries where minor coins have disappeared to inflation. A hundred pennies equal a dollar, and the dollar is strong currency."

On top of all the other reasons for keeping the penny, making it obsolete, Weller said, would be borderline un-American. After all, he said, the coin does bear Abraham Lincoln's image.

The composition of the penny is 97.5 percent zinc and 2.5 percent copper.

There are more than 130 billion one-cent coins currently in circulation.

Loose Change

Lincoln was the first historic figure to appear on a U.S. coin.

The one-cent coin was made legal tender by the Coinage Act of 1864.

"The fact is, the penny really doesn't have much value any longer. People just throw them into a jar. The penny has lost its purpose. It's obsolete."

— Rep. Jim Kolbe
R-Ariz., who has introduced the Legal Tender Modernization Act

There have been 11 different designs featured on the penny and the U.S. Mint produces more than 13 billion pennies annually.

The average penny lasts 25 years.

The Indian penny appeared in 1859 and was discontinued with the introduction of the Lincoln penny in 1909.

Find a penny, pick it up? Not likely

By Rachel Sauer
Cox News Service

NEW YORK — Maybe it's because the sun hardly ever shines through those vast building canyons, depriving pennies of an appealing coppery glint. Maybe it's because New Yorkers don't look down when they walk. They don't look sideways, either, or up. They look straight ahead and guard their wallets.

Maybe it's because the credo on Wall Street isn't "see a penny, pick it up; all day long you'll have good luck." It's "see a penny, pick it up — you just wasted two seconds, bub." So the pennies lie forlornly on the sidewalk outside the New York Stock Exchange — ignored, unloved, stepped on but not picked up.

The idea is this: Wall Street is the money capital of the world and the New York Stock Exchange embodies that wealth of nations. More than anywhere else, money matters on Wall Street — a lot. Perhaps it's where pennies are gathered into fortunes. Or perhaps not. But you'd think people in the money business would have an extra sensitivity to money — any money, free money — just lying on the ground for the taking. Maybe sound money strategy comes from paying attention to things like pennies.

To test the theory, stealthily drop a few pennies on the sidewalk outside the neo-classic, columned front of the New York Stock Exchange on a busy Wednesday morning. The clink of coins hitting the ground doesn't help the stealthiness of it, but perhaps the sound will be magic to all the money people, the musical ka-ching! of imaginary cash registers.

See TEST / Go to next page...

Pick Up Coins

The article from the DAILY NEWS (L.A.) August 27, 2001 was a repor how little respect the penny has. The test was done on Wall Stret and finall tourist girl picked them up after many New Yorkers passed them by. This author can attest to finding coins on the ground--mostly cents--but often oth coins as well that must have been seen and ignored by others.

Wall Streeters ignore the penny

TEST / From Page 1

Then wait and watch to see what happens.

And keep waiting and watching, because here's what happens: nothing. The pennies just lie there, and people in suits rush by without even noticing them. Stock exchange floor brokers in their blue, maroon, green or black jackets slouch outside the building smoking or talking on cell phones, and they ignore the pennies. Probably they don't even see the pennies. Or perhaps they're superstitious about the tails-up pennies, so stealthily flip them heads up. Still nothing happens.

Approach one of the floor brokers, a young fellow with a shaved head who works for AFC Partners and isn't allowed to give his name to the media, to see what's the matter.

"So, do you ever pick up pennies you see on the ground?"

"No."

"Never?"

"No."

"Even if they're new and shiny and pretty?"

His dark eyebrows inch together into a scowl.

"Even if they're heads up?"

Now he's annoyed. Turns out he won't pick up any change, quarters included, that he sees on the ground. The smallest denomination he'd consider taking the time to pick up is a dollar bill, and even that's questionable.

On to another floor broker, a middle-aged, thinning-haired man just done with a cell phone call.

"Say, about pennies."

"No comment."

OK, then. Perhaps this is all wrong. The people who work at the stock exchange aren't actually working with their personal money, so maybe their attitude toward it is different. Maybe the folks at J.P. Morgan across the street — banking types — would stop to pick up pennies. Scatter a few shiny new pennies outside the door there and still nothing happens. The people in suits hurrying in and out the front door have that certain look in their eyes that says, "Do not touch."

There's symbolism to be mined about Big Money and Little Money and our relationship with both — about a harried world and the meaning of 1 cent as it falls from someone's purse or pocket and onto the sidewalk of a great economic collective.

And then there are just a few pennies lying on the ground — looking small among the cigarette butts and city grime — in a place where money is everything. Pennies aren't worth the time, really, and one is essentially nothing. But then, a while later, a German family walks by the Stock Exchange and an adolescent girl in purple clam diggers and a pink polo shirt picks up two of the pennies, smiling as she puts them in her pocket.

ANA Summer Seminars

Anyone attend the ANA summer seminars? Give us some feedback. If you'd like a Lincoln Cent seminar, contact Gail Baker at ANA HQ and ask for one. They had one a few times and may try it again if there is a demand. Sol Taylor's "Cherry Picking" program covers many Lincolns and in a weeklong program all 20th century US series cents-halves.

SLCC Esaay

SLCC is sponsoring a junior essay contest. Youngsters under 16 can write a one page essay titled "Why I Collect Lincoln Cents". Press releases were sent to the numismatic media in August. Rule sheets available from SLCC. If you know a young collector have him/her apply. First prize is a copy of *The Standard Guide to the Lincoln Cent, 4th edition* plus a XF 1909 VDB cent.

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Books Available

Copies of the 4th edition Available $24.95 postpauid.

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Days of Penny Pinching May Be Numbered

Economics: A new bill could reduce the coin's role in daily life. Collectors, among others, are up in arms.

By TYNISA E. TRAPIS
TIMES STAFF WRITER

WASHINGTON—To Rep. Jim Kolbe (R-Ariz.), pennies represent a waste of space.

They're inefficient, bothersome, nearly worthless. And, if Kolbe has his way, the coins would be largely taken out of circulation.

Kolbe has introduced a bill in Congress to greatly reduce the use of pennies in daily transactions. Under the proposed legislation, all sales in retail establishments would be rounded up or down to the nearest nickel, theoretically lightening the load of spare change jingling in the purses and pockets of America.

"People take pennies and either throw them into a jar or a can at home or leave them at a dish at the checkout counter," Kolbe said. "Pennies' only real purpose is for sales tax calculating."

The Legal Tender Modernization Act, introduced July 17, is Kolbe's plan to update not just the penny but other U.S. currency. It calls for a rounding system for penny usage: Merchandise that costs $4.53, for example, would be rounded up to $4.55. An item that costs $4.52 would be rounded down to $4.50. Pennies would still be legal to exchange and credit card and money order charges would continue to be for the exact amount.

The bill also calls for designing commemorative $2 bills to be issued over a five-year period, similar to the current commemorative program for quarters, and it would prohibit the redesign of the one-dollar bill because it is not as susceptible to counterfeiting as bills of larger denominations. The measure represents more than 50 organizations

PERRY C. RIDDLE / Los Angeles Times

The bill calls for a rounding system that would take the penny largely out of circulation.

BRIAN WALSKI / Los Angeles Time

'People take pennies and either throw them into a jar or a can at home or leave them at a dish at the checkout counter.'

Rep. Jim Kolbe, Arizona Republican

reau of Engraving and Printing to print currency, postage stamps and other documents for foreign governments as long as it did not interfere with U.S. needs and was consistent with U.S. foreign policy.

As for the penny proposal, Kolbe maintains that it "favors neither the consumer nor the retailer because the probability of rounding up or down is 50% either way—it would all come out even in the end."

But the lowly penny has its defenders.

Americans for Common Cents, a lobbying coalition, said the penny is a valuable asset to the economy, particularly for consumers who are thrifty. The coalition from keeping the penny in the U.S. coin system, including various charitable and coin-collecting organizations and the zinc industry. (Once composed of copper, pennies are now made mostly of zinc.)

"Every penny does count," said Mark Weller, executive director of the Washington-based coalition. "A large number of people out there . . . really watch their budgets closely, and the penny in pricing does matter."

Weller said that by forcing merchants to round prices to the nearest nickel, the economy would be adversely affected, since prices would increase in some cases. Noting that many charities and lower-income families rely on spare change, Weller said consumers 'rounding tax' every year without a circulating penny."

But Kolbe said concerns over increased prices and taxes are invalid since the U.S. Mint would make fewer pennies and save money in transportation and distribution.

The U.S. Mint produced 14.3 billion pennies last year, a little more than half of all 28.1 billion coins minted. Mike White, a spokesman for the mint, said it costs eight-tenths of a cent to make a penny, but sales to the U.S. Treasury brought in $29 million in 2000.

"It's profitable," White said. "People see it as a real symbol of our economical stability."

Some penny lovers want to keep the coin, if only for its sentimental value.

near the Cliff House restaurant in San Francisco, is one of a few amusement centers that still offer penny-operated machines. Most of the arcade's assortment of baseball skill games and hand-cranked machines that play silent films have been put in storage or upgraded. But the cost of the "love-teller" machine, which measures how "hot" patrons are, remains just a penny.

"If something is old enough it has a nostalgic value to it," said Dan Zelinsky, a manager of the arcade. "If I have to, I'll keep a sack of my own pennies and continue to recycle them instead of taking them to the bank."

ity for the penny. As a boy, he said, he would go to the general store in his hometown of Patagonia, Ariz., and buy penny candy after school.

But the five-year-old congressman says that, though many may have similar childhood experiences, the coins can't "linger around forever."

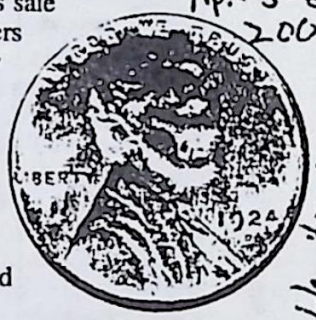
The bill has been assigned to the House Financial Services subcommittee, and Kolbe acknowledges that its prospects are uncertain. But he said eliminating pennies in transactions is "common sense."

"It's been a great friend," he said "but we don't have any need [for it anymore]."

Auctions Make News

The year 2001 can be cited in reference books on coins, especially small cents, for record prices in auctions. The leaders, spurred by small populations of high end coi (MS65Rd and better) have in many cases leaped 100% OR MORE in just two to three years. Chances are some fallback will occur, but some records will be still be set. For instance one of dozen or so 1955 doubled die cents sold in 1998 for $16,500. The sam coin (or one of the dozen or so MS65RDs) sold this year for $65,000. The article below is from Heritage galleries magazine of the April 5-6 sale. Anyone with the auction result of the past two years can compile an interesting graphic for a few dozen selected Lincoln and they would resemble a profile of a mountain range climbing toward the peaks.

The second CSNS session witnessed spectacular prices for Lincoln cents. "We've been watching the growing market in so-called 'collector coins' over the last two years," noted HNAI Director Bob Korver. "Series such as Lincoln cents are perennial favorites among collectors, and the strong prices realized at our Central States sale were gratifying indeed. In fact, dealers in attendance were audibly surprised at the strength of collector demand for the highest quality coins. The 1914-S MS 65 Red PCGS that sold as lot 5874 set a record for this issue at a Heritage auction; described in the catalog as 'fully struck' and 'sparkling with originality,' it traded hands for $14,375. In 1998, Heritage auctioned an MS 66 Red PCGS specimen for 'only' $12,650." Among the other high performing Lincolns was a fully lustrous 1919-S that PCGS certified as MS 66 Red. The single finest representative of this issue known to both NGC and PCGS, this coin sold for $19,550.



1924-D Cent MS 65 Red PCGS, $14,375

"The most interesting Lincoln cent in this sale was the error 1943 that was struck on a Curacao planchet," noted Bob Korver, Heritage's Director of Auctions. "Due to its close association with the fabled 1943 copper cent, we followed the bidding activity on this coin with great interest. Net graded to Fine 12 by ANACS, it realized $7,475."

Other Highlights

1919 Lincoln cent MS 68 Red PCGS, realized $9,775.
1921 Lincoln cent MS 67 Red PCGS, realized $9,775.
1922 No D Strong Reverse Lincoln cent MS 65 Red NGC, realized $49,450.
1924-D Lincoln cent MS 65 Red PCGS, realized $14,375.
1925-D Lincoln cent MS 65 Red PCGS, realized $9,775.

Coins on Stamps

Did you know there were several U.S. stamps that featured coins? A 13c stamp featured the 1877 Indian head cent was issued in 1978 (Scotts #1734). Can you identify the others?

LOS ANGELES TIMES / THURSDAY, AUGUST 2, 2001

MES

Penny-Wise Ideas Not Just a Flip of the Coin

Congressional moves to eliminate the one-cent coin go back to the 1960s ("Days of Penny Pinching May Be Numbered," July 29). When copper prices rose to $1.50 a pound, the lowly cent was worth more for its copper content than one cent. Also, when silver was eliminated from our dime, quarter and half dollar in 1965, the idea of dropping the cent once again was considered. In 1982 the cent was reduced in content and weight—it has been 99% zinc with a copper plating and only 2.5 grams versus 3.1 grams. As the director of the U.S. Mint asserts, making the cent still generates a profit.

Your subhead stating that "collectors . . . are up in arms" is totally inaccurate. I represent the largest collector society, and our members almost uniformly agree that the cent is about to run out of time. We are interested in coins of yesteryear and in the occasional rarity, such as the 1995 cent made in the Philadelphia Mint with a doubled motto or the 1990 proof cent made in San Francisco without the "S" mint mark. The continued production of multibillions of cents each year provides no interest to collectors, I assure you.

Sol Taylor
Founder and President, Society of Lincoln Cent Collectors
Sherman Oaks